



SMX Intraday Morning Technical

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Supramax Aug 26 Morning Technical Comment – 240 Min



	Support	Resistance	Current Price	Bull	Bear
S1	18,508	R1	18,825	RSI above 50	Stochastic overbought
S2	18,403	R2			
S3	18,042	R3			

Synopsis - Intraday

Source Bloomberg

- Price is above the 8-21 period EMA's
- RSI is above 50 (55)
- Stochastic is overbought
- Price is above the daily pivot 18,508
- Technical outlook Previously: Caution on downside moves
- We noted previously that the futures had moved higher on a positive divergence with the RSI, meaning we had positive velocity and acceleration, as well as bullish momentum confirmation, implying caution on lower moves. The caveat was that caution would be warranted if the RSI rejects the 60 level, or we test and saw a significant rejection of the USD 19,349 resistance. Our wave analysis suggested that we are looking at an expanding flat correction (the wave B traded above the high of the wave 5), this supported bullish price action; however, throwbacks would need to hold above the USD 18,042 support, otherwise it would suggest we had missed a wave extension on the move higher into June that was not apparent on our current Elliott wave analysis.
- The RSI remains below 60 but price is in the process of producing a failed swing low, signaling price continues to be supported. We are above all key moving averages with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 18,508 with the RSI at or below 50.5 would mean price and momentum are aligned to the sell side. Upside moves that fail at or below USD 19,349 will warn that there could be a larger corrective cycle in play.
- Technical outlook: Supported
- The RSI moving average is rising, signaling momentum support, while price has produced a failed swing low; however, the RSI remains below 60 at this point. Upside moves above USD 18,900 will need to see the RSI make a new high to avoid a negative divergence, if it does, we will have a bullish momentum confirmation. Key resistance remains unchanged at USD 19,349, a rejection at or below this level will signal we have the potential to see a more complex corrective phase. The RSI 60 level has the potential to be important going forward.

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